

C-O-N-F-I-D-E-N-T-I-A-L

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Document No. 18

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Federal Bureau of Investigation

Director  
Central Intelligence Agency  
Washington, D. C. 20505

Attention: Deputy Director, Plans

Dear Sir:

For your information, I am enclosing  
communications which may be of interest to you.

Very truly yours,

*J. Edgar Hoover*  
John Edgar Hoover  
Director

Enc.

(Upon removal of classified enclosures, if any,  
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DFB-14304

**SECURITY INFORMATION - CONFIDENTIAL**  
**FEDERAL BUREAU OF INVESTIGATION**

DFB-14304

7P

Form No. 1  
 THIS CASE ORIGINATED AT

FILE NO.

REPORT MADE AT ALBANY, N.Y.	DATE WHEN MADE 11/23/52	PERIOD FOR WHICH MADE 8/27-9/5, 12/1/52	REPORT MADE BY J. E. H. [unclear]
TITLE [unclear]			CHARACTER OF CASE [unclear] - RU

**SYNOPSIS OF FACTS:**

Working conditions at Japanese Embassy and Ambassador's residence continue to be unpleasant under dictatorial hands of Japanese and wife, W. A. Ambassador [unclear] and wife reportedly not getting along well. [unclear] J. E. H. Ambassador for [unclear] acts as interpreter for the Ambassador. Subject's wife and sister-in-law recently made trip to New Orleans, en route visited TVA, details not forth. Subject displeased with results of Japanese Peace Treaty. Subject states [unclear] break with [unclear] is permanent. [unclear], in that was apparently a fit of temper, threatened to discontinue insurance of visas to American officials. Subject, wife, and servants busy making preparations for coming Japanese celebration to be held November 27, 1952.

- P -

**DETAILS:**

ALBANY, N.Y.

1-1, of known reliability, advised that working conditions at the embassy continue to be most unpleasant under the direction of Ambassador [unclear]. The same conditions exist at the Ambassador's residence where he and his wife, W. A. [unclear] continue to treat the household servants as slaves.

APPROVED AND FORWARDED <b>INDEX</b>	SPECIAL AGENT IN CHARGE [unclear]	DO NOT WRITE IN THESE SPACES
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The same source advised that IVAN ST. DANKOVIC, former cook at the Ambassador's residence, frequently became infuriated at the demands made upon him by both the Ambassador and the Ambassador's wife. DANKOVIC continually complained of their unjust treatment and as a result of this he was ordered here on Sept. 6, 1941, to Yugoslavia aboard the Yugoslav ship, S. S. Privatna.

T-2, of known reliability, advised that information has been received from Yugoslavia indicating that DANKOVIC is presently walking the streets of Yugoslavia, unable to obtain a position due to a unfavorable report sent to the Yugoslavian Government concerning him by Ambassador POPOVIC.

T-3, of known reliability, advised that Ambassador POPOVIC is a very vain and arrogant person who demands constant attention from his servants and other workers. POPOVIC, who fought in the Spanish Revolution and later for the Partisans, has assumed a porous and victorious attitude.

T-3 further advised that there is obviously trouble between the Ambassador and his wife, VJ, which is probably the results of Ambassador POPOVIC indulging in extramarital activities which have come to the attention of VJ. The money allotted to the Ambassador and his wife from the Yugoslav Government includes a sum which is to be used to maintain the Ambassador's residence. Due to the present strained relations between the Ambassador and his wife, neither will appropriate the necessary funds to operate the residence and as a consequence the Ambassador's household is frequently without food and supplies.

T-4, of known reliability, advised that Ambassador POPOVIC criticized the United States in its attitude towards the American negroes. In this regard source advised that Ambassador POPOVIC and other Yugoslav Communist officials treat people under their supervision worse than source has ever observed anyone in the United States being treated.

T-4 further related that TONKINA URBANIC, Cook at the Ambassador's residence and wife of the caretaker, ANTON URBANIC, has not received her salary for the past four months. Source believes that this is due to the fact that the Ambassador has become aware of the fact that TONKINA has in her possession Treasury Bonds, the possession of which has infuriated the Ambassador.

T-3, previously mentioned, advised that ANTON JUKO, Chauffeur and Informer for Ambassador POPOVIC, recently went through the effects of the URBANICs while they were away and discovered \$500.00 in savings along with the Treasury Bonds previously mentioned. JUKO readily admitted to URBANIC that he was aware of the fact that URBANIC and his wife had in their possession Treasury Bonds and \$500.00 and that the possession of same was contrary to the Communist doctrine.

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T-1 advised that the Ambassador's wife and her sister, MRS. V. C. G., are both very sadistic individuals who seem to take pleasure in the misery of others. The Ambassador's wife has expressed herself as being allergic to children, a recent example being that Mrs. V. C. G., wife of V. C. G., who is in the United States working out various loans with the International Bank recently stayed at the Ambassador's residence, for a few days but after V. C. G. had continually made disparaging remarks concerning the children, it was necessary for Mrs. V. C. G. to find other accommodations.

T-1 advised that Ambassador POPOVIC continues to uphold the principles of Communism and detests anything which resembles democracy. In this regard source cited the following incidents:

On the evening of September 17, 1951, MILUTIN DIMITIJA, former president of the National Bank of Yugoslavia gave a speech at the embassy. All of the embassy personnel were required to attend this meeting to listen to the speech to be given by DIMITIJA. The topic discussed by him was the economic condition of Yugoslavia. In DIMITIJA's speech, he indicated that the Yugoslav Government has possibly gone back to the Capitalistic form of Monetary reconstruction in order to try and straighten out the serious economic plight in which Yugoslavia found itself today. During the course of this speech, it was very noticeable that Ambassador POPOVIC was very upset and angry at the trend of the speech as it did not follow the Communist line. The Ambassador at one point interrupted DIMITIJA to ask a question concerning the Yugoslav Government. The Ambassador asked why the Government had found it necessary to return to a Capitalistic form of economic recovery. DIMITIJA was overjoyed in his answer to this question which only helped to infuriate the Ambassador.

T-1 also related that Ambassador POPOVIC, from all indications, is just as much in favor of the Communist regime in Russia as he was before the YUGO-SLAVIAN split. POPOVIC has been a Communist for many years and was indoctrinated and trained in Russian Communist Schools. Source was of the opinion that the United States may live to regret the present economic and military aid which they are presently extending to Yugoslavia. He based his opinion on the general attitude of Ambassador POPOVIC which source maintains is an attitude of complete hate and distrust for the United States and complete faith in the Communist regime in Russia. Source continued that the words of the former Counselor Dr. SLAVKO ZEC are still vivid in that on numerous occasions he had made the statement that the Yugoslavians know what they want to do in that they would milk the United States to whatever extent they could to serve their own purposes and in return would do absolutely nothing for the United States. Source advised that further indication as to what Ambassador POPOVIC really feels can also be indicated by his remarks concerning the recent Japanese Peace Treaty. Ambassador

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Source continued that Yugoslavia's present economic plight will continue to exist as long as the Communist regime is still in power. This form of Government leads to so much waste and inefficiency that no country under such a regime could ever become prosperous. Citing an example of this, source advised that Dr. STANKO ZAR, former Counselor at the Yugoslav Embassy, is presently the assistant to the Minister for International Trade. Source advised that ZAR was given such a position due to his high rank in the Communist Party; however, his background and training do not qualify him for such a position. This is just one of thousands of examples as to how Communist Party members are given positions in the Government for which they are totally unqualified.

T-5 advised that a direct question was put to Ambassador FOROVIC concerning the sincerity of the break between TITO and STALIN. In answer to this question, FOROVIC advised that the break with STALIN was complete and final and that under no circumstances would Yugoslavia again align herself with Russia. FOROVIC indicated to source that the allegiance with Moscow was merely a temporary thing which from the outset was an allegiance which Yugoslavia knew could not endure.

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SECRET

T-1, previously mentioned, advised that recently a Yugoslav national by the name of LEON DAVICO arrived in the United States aboard the Yugoslav ship the S.S. Hrvatska without possessing an American student visa. D. J. KOETIC, first secretary of the Yugoslav Embassy, was aware of the fact that DAVICO did not possess an American visa and KOETIC knew this while the Hrvatska was still on the high seas before it ever approached the shore of the United States. After the Hrvatska arrived in the United States, DAVICO was turned over to the Immigration and Naturalization Service authorities and was placed on Ellis Island. T-1 continued that when Ambassador POPOVIC learned of this he immediately gave instructions to the Embassy personnel not to give a visa to any American officials wishing to enter Yugoslavia. This statement was made by POPOVIC and was made in a fit of anger and source contemplated the order would be rescinded. T-1 related that MILCO VUCIC, Counselor at the Yugoslav Embassy who is actually in charge of all Yugoslav visas consulted with the Ambassador concerning this matter the following day and that following this conference the Ambassador's orders were rescinded.

T-1 advised that the above example was typical of the attitude of Ambassador POPOVIC concerning the rules and regulations of any delegated authority. POPOVIC frequently criticizes the rules and regulations set down by the United States Government and on the other hand considers every utterance he might personally make to be the law.

T-6, of known reliability, advised that LEON DAVICO, mentioned above, was not a desirable individual to have in the United States as he had been formerly linked with the Atomic Spy case in Canada. T-6 further advised that the Ambassador and other officials at the Yugoslav Embassy had indicated to the Department of State that they were not aware that DAVICO did not possess an American visa before departing from the shores of Yugoslavia.

T-7, of known reliability, subsequently advised that LEON DAVICO was subsequently released from Ellis Island and was permitted to enter Canada by the authority of the Canadian officials.

T-1 advised that Ambassador POPOVIC and his wife, VJERA, had been in frequent contact with a clothing store run by the Good Will Industries and that someone in this organization has put aside all the good second hand clothing received which in turn is picked up by the Embassy for further shipment to Yugoslavia. Source did not know the identity of the Ambassador's contact in the Good Will Industries other than it was a woman described as having blond hair.

T-7, of known reliability, advised that the Ambassador, his wife, VJERA, and his sister-in-law, BABA POPOVIC, departed for New Orleans driven by the Ambassador's chauffeur, ANTON JUKO, on October 13, 1951. This party

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left for New Orleans as the Ambassador's sister-in-law, NADA, was to board the Rrvutaka for travel to Yugoslavia. NADA was returning to Yugoslavia despite the fact that she was known to be seriously ill with what source believed to be a case of tuberculosis.

The same source advised that this party en route to New Orleans was to visit the Tennessee Valley Authority. This visit to the Tennessee Valley Authority was arranged through the cooperation of the Department of State.

T-8, of known reliability, advised that the Yugoslavian Embassy also made arrangements direct with the authorities of TVA in order to have this party make an inspection on their way to New Orleans.

Arrangements were made whereby Ambassador POPOVIC was to contact Mr. JOHN F. HALL, Office of the General Manager, Tennessee Valley Authority, Knoxville, Tennessee, at the Hotel Andrew Jackson at 11 A. M. on Sunday, October 14, 1951.

T-8 advised that Ambassador POPOVIC did contact JOHN F. HALL at Knoxville and remained with him from 11 A. M. to 4 P. M. on October 14, 1951. Following his conference with Mr. HALL, the Ambassador and his party were advised as to the most scenic route to Chattanooga and if they so desired a Mr. MULLYHALL, an official of TVA, would meet them at the Hotel Patton, Chattanooga, on Monday morning, October 15, 1951. Source continued that Ambassador POPOVIC did not keep his appointment with Mr. HALL and nothing further was heard of the party.

Source continued that the Ambassador and his wife, VERA, while in Knoxville, appeared to be pleasantly impressed with the Tennessee Valley Authority project, but that the sister-in-law, NADA, was more concerned with talking the Communist Party line concerning conditions in the United States rather than showing an interest in the Tennessee Valley Authority project. NADA continually brought up the subject of the treatment of the American negroes in the United States and was very desirous of going through and observing an American Indian reservation. The Ambassador and his party were advised that an alternate route to Chattanooga would enable them to visit an American Indian reservation and it was source's contention that the party in all probability took this alternate route to see the Indian reservation which would account for their not appearing at Chattanooga to meet Mr. MULLYHALL on October 15, 1951.

T-8 advised that this was not the first time that the Yugoslavs have shown an interest in TVA and that back in April, 1940, two Yugoslav Engineers named MILANKOVICH and JOSEF POPOVIC visited TVA for approximately ten days. Source continued that this visit was also with the sanction of the Department of State and arrangements were made by them.

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T-5, previously mentioned, advised that following this trip to Tennessee Valley Authority, Ambassador POPOVIC had indicated to source that he was very appreciative of the fact that the State Department had made it possible for him and his party to tour TVA and furthermore he found it very impressive.

T-7, previously mentioned, advised that during the months of August and September, Ambassador POPOVIC was closely following the events leading up to the arrest of the former Ustaashi leader DR. JANKOVIC. In this connection, Ambassador POPOVIC was maintaining frequent contact with LPOPOVIC, Yugoslav Consul at San Francisco, California. Source advised that it was interesting to note that Ambassador POPOVIC made it a point not to notify the Department of State prior to the time the note was handed to the United States authority on the last Court demanding the arrest of JANKOVIC. Ambassador POPOVIC made it known to LPOPOVIC that the note concerning this matter would be handed over to the State Department immediately following the arrest of JANKOVIC. Both POPOVIC and LPOPOVIC were optimistic as to the outcome of the trial of JANKOVIC and were certain the United States Government would see fit to turn JANKOVIC over to the Yugoslavians.

On August 29, 1951, source advised JANKOVIC was placed under arrest and the Ambassador had made it known to source that information concerning this matter would be held up until the following day, August 30, 1951, before notifying the State Department.

T-1 and T-5 advised that the Ambassador and his wife, WJ RA, are presently engaged in making preparations for the Yugoslav national holiday celebration to be held at the Ambassador's residence on November 29, 1951. The Embassy expects this to be a gala celebration and a number of influential American officials along with TRO elements will be invited.

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